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KENYON & KENYON 1500 K STREET, N.W., SUITE 700 WASHINGTON, DC 20005			ZURITA, JAMES H	
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			3625	

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Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/559,778

Applicant(s)

LIGHT ET AL.

Examiner

James H Zurita

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 27 January 2005.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 80-115 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 80-115 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 27 April 2000 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## **DETAILED ACTION**

### ***Prosecution History***

On 27 April 2000, Applicant filed the present application as a continuation in part of 09/167873, filed 7 October 1998, now US patent 6,092,053, issued on 18 July 2000.

On 18 June 2003, the Examiner rejected claims 1-79 as unpatentable over Peckover, WO 97/26612-A1, international publication date of 24 July 1997, in view of an article by Robert Greene, "Online College Applications, Pushing Out Paper", Sep 1, 1997, St. Louis Post - Dispatch; St. Louis, Mo.

On 3 September 2003, Applicant cancelled claims 1-79, adding claims 80-115.

On 19 November 2003, in a Final rejection, the rejected claims 80-119 as being unpatentable over Peckover (US 6,119,101) in view of *Walker* (US 5794207).

On 5 August 2004, Applicant filed a Request for Continuing Examination. This request was non-compliant since it did not contain a complete listing of all the claims. The Examiner provided applicant with a one-month period to provide said claims. On 20 August 2004, Applicant filed an additional response that included a complete listing of all claims.

On 20 November 2004, the Examiner again rejected claims 80-115.

On 27 January 2005, applicant filed his latest comments.

### ***Response to Request for Reconsideration***

Applicant's communication of 27 January 2005 is interpreted as a request for reconsideration. Claims 80-115 are pending and will be examined.

### ***Priority***

Again, the Examiner acknowledges applicant's claim to priority to Application 09/167873, filed 7 October 1998, issued on 18 July 2000 as US Patent 6,092,053.

As previously requested, in order to clarify the record, the Examiner respectfully requests the Applicant identify where in the prior applications the features of the present invention are first disclosed. It is not clear whether applicant has introduced and claims patentable distinction. For example, in the priority document, applicant does not mention data subject and data recipient. Claims addressed to these entities are accorded the filing date of the instant application, i.e., 27 April 2000.

### ***Drawings***

The drawings are objected to under 37 CFR 1.83(a). The drawings must show every feature of the invention specified in the claims. Therefore, the ***purchase query, purchase reply, digital signature, send[-ing] summaries to a [data subject, authorized data recipient]*** must be shown or the feature(s) canceled from the claim(s). No new matter should be entered.

Any structural detail that is essential for a proper understanding of the disclosed invention should be shown in the drawing. MPEP § 608.02(d). Corrected drawing sheets in compliance with 37 CFR 1.121(d) are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if

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only one figure is being amended. The figure or figure number of an amended drawing should not be labeled as "amended." If a drawing figure is to be canceled, the appropriate figure must be removed from the replacement sheet, and where necessary, the remaining figures must be renumbered and appropriate changes made to the brief description of the several views of the drawings for consistency. Additional replacement sheets may be necessary to show the renumbering of the remaining figures. Each drawing sheet submitted after the filing date of an application must be labeled in the top margin as either "Replacement Sheet" or "New Sheet" pursuant to 37 CFR 1.121(d). If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action.

The objection to the drawings will not be held in abeyance.

### ***Double Patenting***

Please refer to previous office action.

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 80-91, 92-103 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing

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for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences

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(BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source **human** language (e.g., Russian) into a target **human** language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather

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under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

**Claim 80**, directed to methods, lacks a non-trivial use of technology and therefore has no connection to the technological arts. Claims dependent on claim 80 are similarly rejected. Claim 80 reads:

80. A method for purchasing an item over a network, comprising
- (a) receiving, from a data subject, an offer associated with a data recipient and a message including a network communication device software identifier;
  - (b) determining whether the data subject is registered;
  - (c) determining whether the data recipient is authorized;
  - (d) if the data subject is registered and the data recipient is authorized, retrieving purchasing information associated with the data subject from a database;
  - (e) sending a purchase query to the data subject; and
  - (f) in response to a purchase reply received from the data subject, sending purchase transaction information to the data recipient.

Concerning claim 80, the Examiner respectfully notes the following:

"...network..." mentioned in the claim's preamble could also include sending the items through the US Postal network, using a courier service such as UPS to deliver the items through its network of carriers, etc.



"...data subject..." appears to be a synonym for a customer

"...data recipient..." appears to be a synonym for a merchant

"...network communication device software..." is nonfunctional descriptive material that fails to breathe life into the identifier.

"...message..." could also include oral and written communications

registration, authorization, may be performed by oral and written means.

sending and receiving could be performed orally and by written means

database could include data stored in an index card file

**Claim 92** is directed to different statutory classes. MPEP 2173.05(p)

92. A computer readable **medium** including instructions adapted to be executed by a processor to perform a **method** for purchasing an item over a network, the **method** comprising:

For purposes of this Examination, the Examiner will interpret the claims as being an apparatus claim. Claims dependent from claim 92 are similarly rejected. Prior Art will be interpreted to read on claims 92-103 where Prior Art discloses structural components that are reasonable capable of performing applicant's intended functions. See also rejection under 35 U.S.C. 112, second paragraph.

### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

**Claims 92-103** are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which

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applicant regards as the invention. The claims are directed to both an apparatus and the method steps of using the apparatus. MPEP 2173.05(p). See also rejection under 35 USC 101.

Claims 82, 85, 94, 97, 106 and 109 contain the terms item price, final price and new price. Applicant appears to use the terms **cost**, **price** as synonyms for the total amount payable by a customer:

... the [ ] offer includes the following information....authorized [...] identifier, **price** of the item, a form of digital signature of the authorized [...], a **final price** indicator, and a transaction number. The price of the **item** is **cost** to purchase the **item**. .. The **final price** indicator is used to indicate whether the **final cost** for the **item** is affected by the data subject's shipping address and/or shipping preference. ...(specifications, page 12, lines 5-8, emphasis added)

... the data repository software then determines if the price of the **item** needs to be adjusted for shipping **costs** 236. If price adjustment is required, **new price** information is obtained from the authorized data recipient 230. The revised offer is then presented to the data subject 240 (specifications, page 14, lines 5-8, emphasis added)

The Examiner notes that "price change" "net price" and "final price" are misnomers and are in fact a change in the total amount payable by a customer. The claims will be interpreted to refer to a total amount payable by a customer is the sum of an item price [which **does not** change] plus shipping costs [which **may change** according to shipping address and preferred method of delivery]. This interpretation is consistent with applicant's disclosures. The Examiner notes that it is well known that shipping costs may vary according to distance from a mailing point, and according to whether an item is delivered via postal mail (First Class, Express Mail, Priority Mail, Overnight delivery) or via specialized services such as Federal Express and that shipping charges may be based on time to deliver. The Examiner also notes that shipping charges may be passed on to customers.

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**Claim 107** is indefinite in that requires that

...purchasing information associated with the data subject network communications device software includes credit card information and shipping information, the shipping information including a shipping address and a preferred shipping method.

Related claims 83, 95 require that "... purchasing information associated with the **data subject** includes ..." and appear to be correct, in that the information is related to a data subject, not to a data subject network communications device software.

**Claims 80-115** are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The claims refer to "...receiving, from a data subject, an **offer** associated with a merchant..."

The Examiner respectfully notes that (a) applicant's use of the term **offer** varies from its ordinary meaning and (b) applicant's new definition is different from the term's original definition in the specifications.

**As to (a)**, where applicant acts as his or her own lexicographer to specifically define a term of a claim contrary to its ordinary meaning, the written description must clearly redefine the claim term and set forth the uncommon definition so as to put one reasonably skilled in the art on notice that the applicant intended to so redefine that claim term. *Process Control Corp. v. HydReclaim Corp.*, 190 F.3d 1350, 1357, 52 USPQ2d 1029, 1033 (Fed. Cir. 1999).

The term "offer" in claims 80-115 is used by the claim to mean

...The authorized data recipients Web site invites the data subject to send a set of data subject information to the authorized data recipient thereby consummating a transaction (an "**offer**"). [specifications, page 5, lines 7-9, emphasis added]

The accepted meaning is "(n) a presenting of something for acceptance...a price named by one proposing to buy"<sup>1</sup>

**As to (b)**, applicant's new definition is different from the above.

The **offer** as claimed must be: (1) received from a data subject (a first party) and (2) associated with a data recipient (a second party).

Applicant's comments are misleading since the specifications clearly associate an offer as originating from a data recipient, not from a data subject:

The authorized data recipient's Web site also operates client software. When the data subject accepts the authorized **data recipient's offer** to consummate a transaction, the client software sends both e. a file readable by the NCD software and the authorized **data recipient's offer** to the NCD software that is resident on the data subject's NCD. The NCD software readable file includes information to identify the authorized data recipient, an address for the authorized data recipient's Web page and instructions that instruct the NCD software to communicate with the CIS software. The authorized **data recipient's offer** passes through the data subject's NCD to the CIS software resident on the data repository. [specifications, page 5, lines 10-17, emphasis added]

Further, in response to applicant's comments concerning the elements required by his claims to an **offer**, it has been found "That a person skilled in the art might realize from reading the disclosure that such a particular definition (as now argued) is a possible definition is not a sufficient indication to that person that that particular definition is part of Applicant's invention as originally filed. Claims yet unpatented are to be given the broadest reasonable interpretation consistent with the specification during the examination of a patent application. In re Prater, 415 F.2d 1393, 162 USPQ 541 (CCPA 1969). In the instant case, Applicant has not persuasively demonstrated that the Examiner has applied an unreasonable interpretation of the recited feature, or that the interpretation is inconsistent with the specification, or that applied interpretation is

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<sup>1</sup> Definition of *offer*, MERRIAM WEBSTER'S Collegiate Dictionary.

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repugnant to one of ordinary skill in the art. The Examiner will continue to give the term **offer** its broadest reasonable interpretation as noted above.

Since the term **offer** is indefinite, yet includes the concept of "...send[-ing] a set of [customer] information ... consummating a [...purchase...] transaction, the term ***purchase transaction information*** is likewise rendered indefinite.

### ***Claim Rejections - 35 USC § 103***

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

Claims 80-115 are rejected under 35 U.S.C. 103(a) as being unpatentable over Peckover (US 6,119,101) in view of *Walker* (US Patent 5794207).

The term *data repository* will be given its broadest reasonable interpretation to mean a collection of information about a computing system<sup>2</sup> such as a database and database management software (data repository software). Peckover discloses the use of collections of information about his computing systems.<sup>3</sup> See, for example, references to databases and collections of information concerning object server, agent system, agent managers and others, Figs. 1-10 and related text.

The descriptive material (for example, "data subject", "data recipient", "network communication device") does not distinguish the claimed invention from the prior art in terms of patentability. For purposes of applying prior art the term "data subject" will be

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<sup>2</sup> Definition of Repository, MICROSOFT Computer Dictionary.

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interpreted to read on patrons, buyers, clients, shoppers, purchasers, users, consumers, consumers, a party to a transaction, etc. The term "data recipient" will be interpreted to read on merchants, sellers, providers, users, a party to a transaction, etc.

The terms "network communication device" will be interpreted to read on any type of device that might be used to connect a client node to a network in a client/server network architecture. The types of clients may include personal computers, workstations, telephones, dumb and intelligent programmable devices, wireless devices, PDA's. Users on client machines may use a client to search in or access server databases, select, search, request searches, download files and information, and generally interact with one or more servers on a network. Peckover, Fig. 22, item 22.

The term "network communication device software identifier" will be interpreted to read on any client-side software (e.g., an Internet browser) that identifies a client node to a server, such as a cookie (e.g., specifications, page 7, lines 7-13).

**To purchase** is to **obtain** by paying money or its equivalent.<sup>4</sup> Peckover discloses that merchants **obtain** a customer's review of an advertisement (merchant offer) **by paying** money or equivalent credits, as in Col. 37, line 66- Col. 38, line 5.

This interpretation is consistent with applicant's use of **purchase transaction**, used to describe all manner of transactions over a network, specification, page 1, line 18-page 2, line 1. Consistent with this interpretation, the term **purchase transaction information** will be given its broadest reasonable interpretation to include data

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<sup>3</sup> Definition of Repository, MICROSOFT Computer Dictionary.

<sup>4</sup> Definition of purchase (v.), MERRIAM WEBSTER'S Collegiate Dictionary.

sufficient to complete a transaction, as in applicant's Fig. 2B, item 224. See also rejection under 35 USC 112.

**As per claims 80, 92 and 104**, Peckover discloses methods, media and systems for purchasing a customer's attention of an advertisement over a network.

Customers receive advertisements (merchant offers) at PC's (applicant's network communication device), as in Fig. 2, item 22. Customers review, and accept or decline the offers, using web browser software (applicant's network communications software). The message is transmitted to the server, which receives the information from customers. Thus, Peckover discloses

(a) **receiving**, from a customer,

(a.1) an offer associated with a merchant [the offer/advertisement is associated with a merchant in that the offer was (i) created by a merchant and (ii) contains information entered on Fig. 42, for example, by a merchant] and

(a.2) a message (in that a customer reviews, accepts or rejects the offer), including an cookie (applicant's network communication device software identifier). See, for example, at least Figs. 40-42 and related text. For cookie, see at least Col. 6, lines 26-32. See also discussion of persistence in previous office actions.

(b) **determining** whether the customer is registered. See, for example, at least Fig. 39 and related text, including Col. 15, line 64-Col. 16, line 24. Please also note that only registered customers may access the various functions.

(c) **determining** whether the merchant is authorized. See, for example, at least Fig. 39 and related text, including Col. 15, line 64-Col. 16, line 24. Please also note that only authorized merchants may access the various functions.

(d) **retrieving** information associated with the customer from a database. See, for example, at least Col 18, line 31-Col. 19, line 44, which refer to customer preference data [i.e., information associated with a customer ; the data is marinated in the database]. See also references to personal agents, which contain information associated with a customer's needs. See also discussion of consumer consideration accounts, i.e, information associated with a customer, such as credits. The examiner notes that this information is retrieved only if a customer is registered and a merchant is authorized [to access it].

(e) **sending a query** to the customer (applicant's purchase query). See, for example, references to collecting and delivering matching search results to customers, as in Col. 29, line 41-Col. 30, line 63. The results may include advertisements that satisfy a customer's search.

(f) **sending** transaction information to the merchant [in response to a **reply** received from the customer]. See, for example, references to sending transaction information to merchants, including information such as amounts that a customer finds acceptable in exchange for viewing advertisements, as in Col. 37, line 66-Col. 38, line 15. See also references to logging, as discussed in previous office actions.

Peckover **does not** use the terms purchase query, purchase reply, purchase transaction information. Peckover also provides examples of applying his invention to



purchases of products and goods. Col. 10, lines 5-58, Col. 27, line 50-65. Walker discloses buying and selling items over the Internet, checking credit card information by merchants. See, for example, at least Fig. 6 and related text.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine Peckover and Walker to buy/sell items over a network, and exchange information related to purchase transactions of items. One of ordinary skill in the art at the time the invention was made would have been motivated to combine Peckover, Walker and knowledge generally available to one of ordinary skill in the art at the time the invention was made to disclose buying/selling items over a network, and exchange information related to purchase transactions of items for the obvious reason that a viable marketplace must involve the exchange of market information as well as the more obvious trading for goods and services.

Peckover and Walker **do not** use the terms data subject and data recipient. However, the labels given to various actors and modules are not functionally related to the substrate of the article of manufacture. The labels themselves carry little or no patentable weight. Thus, this various labels will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994). Merely labeling the entities and data differently from that in the prior art would have been obvious.

**As per claims 81, 93 and 105**, Peckover discloses the use of cookies. See, for example, Col. 6, lines 26-32. It would have been obvious to one of ordinary skill in the

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art at the time the invention was made to combine Peckover and knowledge generally available to disclose that determining whether the customer is registered may include determining whether a cookie matches an entry in the database. One of ordinary skill in the art at the time the invention was made would have been motivated to combine Peckover and knowledge generally available to disclose that determining whether the customer is registered may include determining whether a cookie matches an entry in the database for the obvious reason that the main purpose of cookies is to identify users and possibly prepare customized web pages for them by checking the contents of a cookie with database entries.

**As per claims 82, 94 and 106**, Peckover discloses that an offer may include a merchant identifier(s) (such as brand, model, location, vehicle make, model, dealer) an item price, a final price indicator and a transaction number. See, for example, at least Fig. 40, 41 and related text, which show various types of information that may be provided by merchants when they create an offer. Peckover discloses the needs of security, privacy and confidence or trust for an electronic marketplace.

Peckover and Walker **do not** use the term "transaction number" Peckover and Walker disclose tacking various types of transactions and storing associated information. It would have been obvious to track transactions with the use of transactions number, and to extend Perckover and Walker to include transaction numbers, including transaction numbers for purchases in Walker.

One of ordinary skill in the art would have been motivated to track transactions with the use of transactions number, and to extend Perckover and Walker to include

transaction numbers, including transaction numbers for purchases in Walker for the obvious reason that databases often have keys/indices and having transaction numbers may be helpful in accessing the data for analysis.

Peckover **does not** specifically disclose the use of a digital signature. Walker discloses the use of digital signatures, as in Col. 23, line 64-Coo. 24, line 24.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine Peckover, Walker knowledge generally available to one of ordinary skill to disclose the use of digital signatures. One of ordinary skill in the art at the time the invention was made would have been motivated to combine Peckover, Walker and knowledge generally available to one of ordinary skill to disclose the use of digital signatures for the obvious reason that a viable marketplace must also address side-effects of commerce such as issues of security, privacy and confidence or trust, since otherwise, consumers and providers will not feel comfortable enough to participate in the marketplace.

Further, these differences are only found in the nonfunctional descriptive material and are not functionally involved in the steps recited. The steps would be performed the same regardless of the data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to include any type of information because such data

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does not functionally relate to the steps in the method claimed and because the subjective interpretation of data does not patentably distinguish the claimed invention.

**As per claims 83, 95 and 107**, Peckover **does not** specifically disclose that shipping information may also include a preferred shipping method. Peckover discloses that when customer orders or purchases a product, a customer may need to reveal delivery address, credit card data. See, for example, at least Col. 6, lines 32-42. Peckover discloses advantages and disadvantages of various delivery and shipping methods, including third class mail, special mailing classes, as in Col. 3, line 53-Col. 4, line 13.

Therefore, It would have been obvious to one of ordinary skill in the art at the time the invention was made to include in Peckover a preferred shipping method.

One of ordinary skill in the art at the time the invention was made would have been motivated to include in Peckover a preferred shipping method for the obvious reason that thus be able to receive timely delivery of their products, for example, by requesting special delivery over third class mail.

**As per claims 84, 96 and 108**, Peckover **does not** specifically disclose determining whether credit card information is accepted by a merchant. However, it is well known that credit card information is often verified and accepted by a merchant. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include in Peckover knowledge generally available to one of ordinary skill in the art to disclose determining whether credit card information is accepted by a merchant.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to include in Peckover knowledge generally available to one of ordinary skill in the art to disclose determining whether credit card information is accepted by a merchant, since some merchants accept only certain credit cards in exchange for purchases.

**As per claims 85, 97 and 109,** Peckover and Walker ***do not*** specifically disclose obtaining a new price from the data recipient based on the shipping address and the preferred shipping method; and setting the item price equal to the new price.

However, Peckover discloses various forms of delivery of a product, including bulk mail, special mailing classes, third class mail, and other delivery methods. Peckover discloses that special mailing classes may reduce mailing costs but may result in erratic delivery times. Peckover discloses providers who use third class mail cannot pinpoint even the week that the mail may be delivered. The Examiner takes official notice that delivery costs may vary according to (a) distance from a mailing point, and (b) whether an item is delivered via postal mail or via specialized services such as Federal Express. The Examiner also notes that it is well known to pass these costs by increasing total amount payable by a customer.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to combine Peckover and knowledge generally available to one of ordinary skill in the art to disclose obtaining a new price from the data recipient

based on the shipping address and the preferred shipping method; and setting the item price equal to the new price.

One of ordinary skill in the art at the time the invention was made would have been motivated to combine Peckover and knowledge generally available to one of ordinary skill in the art to disclose obtaining a new price from the data recipient based on the shipping address and the preferred shipping method; and setting the item price equal to the new price for the obvious reason that by passing costs on to a customer, a merchant is able to maintain his profits at a higher level than otherwise.

**As per claims 86, 96 and 110**, Peckover discloses prompting the customer for a passphrase and authenticating the customer based on a passphrase stored within the database. See, for example, at least Fig. 39 and related text.

**As per claims 87, 99 and 111**, Peckover discloses sending a summary of customer transactions to the customer. See, for example, at least Fig. 27 and related text concerning historical demand search engines, which deliver selected information to both customers and merchants. See also at least Col. 17, lines 11-28.

**As per claims 88, 100 and 112**, Peckover discloses sending a summary of [authorized] merchant transactions to the [authorized] merchant. See, for example, at least Fig. 27 and related text concerning historical demand search engines, which deliver selected information to both customers and merchants. See also references to numeric totals, as in Col. 33, lines 17-48.

**As per claims 89, 101 and 113**, Peckover discloses storing the transaction information in an authorized merchant transaction log. See, for example, at least

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references to query logger and its functions, transaction history data and system history data, as in Col. 24, line 62-Col. 25, line 10. See also references to log functions.

**As per claims 90, 102 and 114**, Peckover discloses storing the transaction information in a customer transaction log. See, for example, at least references to query logger and its functions, transaction history data and system history data, as in Col. 24, line 62-Col. 25, line 10. See also references to log functions.

**As per claims 91, 103 and 115**, Peckover discloses matching customer queries with merchant offers and notifying customers of such matches. See, for example, at least Col. 37, line 66-Col. 38, line 12. These messages confirm acceptance or confirm refusal of transactions to both customers and merchants.

### ***Response to Arguments***

Applicant's arguments filed 27 January 2005 have been fully and carefully considered. Applicant bases his arguments on selectively limited portions of the references.<sup>5</sup> The Examiner will take this opportunity to more succinctly explain prior art in relation to applicant's claimed invention.

The Examiner again notes that he cites particular columns and line numbers in the references as applied to the claims for applicant's convenience. Although the specified citations are representative of the teachings in the art and are applied to the

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<sup>5</sup> Peckover, col. 1, 13-15, col. 10, 61-63, col. 14, 15-16, col. 14, 45-51, col. 16, 49-54, col. 18, 62 – col. 19 2, col. 23, 20-30, col. 23, 27-29, col. 23, 63-col. 24, 19, col. 26, 40-67, col. 27, 56-57, col. 33, 52-53, col. 33, 50-Col. 34, 24, col. 34, 13-15, col. 39, 18-20;

Walker, col. 4, 13-16, col. 4, 23-27, col. 8, 28-32, col. 13, 41-44, col. 13, 50-53, col. 13, 63-64, col. 19, 13-20, 30.

specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested that, in preparing responses, the applicant fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

**Concerning claims 80, 92 and 104**, pages 11–15, applicant argues that Peckover does not disclose an offer that is

...(1) received from a data subject (a first party) and (2) associated with a data recipient (second party).

In response, please see rejections under 35 USC 112 and 35 USC 103.

Applicant relies on Peckover, Col. 26, lines 40-67 to argue that Peckover does not disclose or suggest any actions in response to the ad and In response to this argument. In response to this argument, the examiner respectfully directs applicant's attention to references to sending transaction information to merchants, including information such as amounts that a customer finds acceptable in exchange for viewing advertisements, as in Peckover, Col. 37, line 66-Col. 38, line 15. See also references to logging, as discussed in previous office actions.

Applicant relies on Peckover, Col. 39, lines 18-20, Col. 18, line 62-Col. 19, line 2 and Col. 11, lines 49-54, to argue

...prior art does not disclose or suggest "determining whether the data subject is registered..."[Peckover] teaches away from determining whether a data subject is registered.

In response to these arguments, the Examiner respectfully directs applicant's attention to Peckover, Fig. 39 and related text, including Col. 15, line 64-Col. 16, line 24,



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for example. The Examiner respectfully notes that that only registered customers and authorized merchants may access the various functions.

Applicant argues

Walker does not disclose or suggest sending a purchase query to a buyer...

In response to this comment, the Examiner respectfully directs applicant's attention to Walker, Fig. 19 and related text, including Col. 23, lines 6-20, which shows that a buyer may accept or reject a seller's [counter] **offer**. The Examiner notes that a buyer would perform these actions when receiving a purchase query, which would be received after a purchase query is sent to a buyer. Please note that these sections also contradict applicant's assertions on pages 15-16 that there is no mention of price negotiations or modifications in either Peckover or Walker.

Applicant appears to argue, pages 14-15, that there is no suggestion to combine the references, and that Walker would destroy purported "...goal of anonymity..." in Peckover. The examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, Peckover discloses offers and counter offers in the form of advertisements. Peckover suggests extending his invention to offer/counteroffer for the sale of goods. Walker discloses offer and counteroffers for the sale of goods.

In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

**Concerning claims 81, 93 and 105**, applicant argues that Peckover does not disclose the use of a cookie (applicant's network communications device software identifier) and that none of Peckover's databases are disclosed as determining whether a customer is registered. The Examiner respectfully directs applicant's attention to Peckover's disclosure of cookies, Col. 6, lines 26-32; see also discussion of persistence in previous office actions. For customer registration, please see at least Fig. 39 and related text, including Col. 15, line 64-Col. 16, line 24. Peckover discloses that customer information and access information is stored in various databases. To permit customer access, the information is necessarily checked against data stored by Peckover. Please note that only registered customers may access various functions.

**Concerning claims 82, 94 and 106**, applicant argues

... The cited references do not disclose or suggest an offer containing a data recipient identifier, an item price, a data recipient digital signature, a final price indicator, and a transaction number. ... Peckover includes no teachings related to actual purchase transactions, thus it would be irrelevant for Peckover to disclose an offer that contained a transaction number....

Please see rejection under 35 USC 103. Further, the Examiner again notes that applicant's "price change" "net price" and "final price" are misnomers. The terms in fact refer to a change in a total amount payable by a customer. The total amount payable by a customer is the sum of an item price [which **does not** change] plus shipping costs

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[which **may change** according to shipping address and preferred method of delivery].

This interpretation is consistent with applicant's disclosures. The Examiner again notes that it is well known that shipping costs may vary according to distance from a mailing point, and according to whether an item is delivered via postal mail (First Class, Express Mail, Priority Mail, Overnight delivery) or via specialized services such as Federal Express and that shipping charges may be based on time to deliver. The Examiner also notes that shipping charges may be passed on to customers.

Applicant argues,

Finally, there is no mention of **price negotiations** or modifications in either Peckover or Walker, thus a final price indicator would have been meaningless within the references. Particularly in Walker, where an offer could be legally binding in its terms, it would destroy the function of the invention to allow the price to change after the offer was accepted. As all transaction processing is handled automatically and immediately by the central controller, changes in price would be impossible within Walker. (Walker, col. 19, 1. 13, though col. 20, 1. 30).

In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., price negotiation, legally binding, events occurring after an offer acceptance) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). The Examiner notes that applicant does not disclose and does not claim **negotiation** in the instant application and in the claimed priority document.

**Concerning claims 85, 97 and 109**, applicant argues

...the prior art does not disclose or suggest obtaining a new price from a data recipient based on a shipping address or preferred shipping method. As explained above, Peckover teaches against the disclosure of information regarding one user to a different user. ...In Walker, as well, this feature would destroy the purpose of that invention.

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Walker explicitly binds the users to a contract as soon as a seller accepts the buyer's offer. ... *buyer's ad could specify a shipping address and preferred method, thus allowing the seller to set a price specific to that information*, .... Additionally, in *Walker the person responsible for any shipping is made aware of all of these factors within the offer*. (emphasis added)

In response to these arguments, the Examiner respectfully notes that Peckover discloses offer, counteroffer and acceptance or rejection of each by either party. See at least Peckover, Col. 37, line 66-Col. 38, line 12, and Walker, Fig. 19 and related text, including Col. 23, lines 6-20. See also applicant admissions concerning Walker, emphasized above.

The Examiner also notes that Peckover discloses the use of delivery of a product by using a customer name, a **delivery address** (for example, Col. 6, lines 33-41) and the use of human owner information, including a user name, **postal address** (for example, Col. 18, lines 63-Col. 19, line 32, Col. 20, line 63-Col. 21, line 12). This and other customer information is stored in Peckover;s various databases.

#### Applicant argues

Furthermore, buyer information is stored throughout the central database in Walker. Buyer's name and credit card information may be stored in at least four separate places: ... This would completely destroy the goal of anonymity and information protection in Peckover.

In response to these arguments, the Examiner respectfully notes that applicant nowhere discloses or claims how the data is distributed logically or physically among data storage devices. Nevertheless, it would have been obvious to one of ordinary skill in the art to distribute data in any logical or physical configuration. One of ordinary skill in the art would have been motivated to distribute data in any logical or physical configuration for the obvious reason that all databases have Database Management Systems (DBMS), a series of modules that interpret the data storage

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means from a physical layout to a logical design set up by a database administrator (DBA). The DBMS modules include interfaces that permit developers to code programs to access the data and present the data to users. How the data is accessed varies according to type of database, including hierarchical, relational, object-relational database, hybrids, network databases, among others.


### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to James H Zurita whose telephone number is 703-605-4966. The examiner can normally be reached on 8a-5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins can be reached on 703-308-1344. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

*JH*  
**James Zurita**  
**Patent Examiner**  
**Art Unit 3625**  
12 April 2005

  
**WYNN W. COGGINS**  
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